

**LEGISLATIVE SERVICES AGENCY  
OFFICE OF FISCAL AND MANAGEMENT ANALYSIS**

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**FISCAL IMPACT STATEMENT**

**LS 6338**

**BILL NUMBER:** HB 1145

**NOTE PREPARED:** Feb 19, 2008

**BILL AMENDED:**

**SUBJECT:** Tax Delinquent Properties.

**FIRST AUTHOR:** Rep. Pelath

**FIRST SPONSOR:** Sen. Boots

**BILL STATUS:** As Passed Senate

**FUNDS AFFECTED:**     **GENERAL**  
                              **DEDICATED**  
                              **FEDERAL**

**IMPACT:** Local

**Summary of Legislation:** The bill provides that a county may transfer real property for which the county holds a tax deed to an abutting landowner for no consideration or nominal consideration. The bill provides that a political subdivision that acquires real property from a county at a time when the county holds a tax deed for the real property may also transfer the real property to an abutting landowner for no consideration or nominal consideration. The bill provides for notice to all abutting landowners before a county or other political subdivision initiates negotiations for sale or transfer of the real property.

**Effective Date:** July 1, 2008.

**Explanation of State Expenditures:**

**Explanation of State Revenues:**

**Explanation of Local Expenditures:** Public disposal agents would be able to forgo current requirements for the disposal of properties under which the county holds the tax deed. The disposal agent would no longer be required to retain an appraiser or hire an auctioneer and/or sales broker to complete a sale. Bypassing those requirements would present a savings to local taxing units trying to dispose of properties in question to an abutting land owner.

**Explanation of Local Revenues:** This sale method could potentially reduce the amount of revenue collected for the property. However, if these properties are returned to the tax rolls in a more expedient fashion, then these properties could reduce the taxes paid by other property owners in the same local taxing unit assuming no change in the local levy. The impact of this provision to local revenues would vary by each local taxing

unit.

**State Agencies Affected:**

**Local Agencies Affected:** Local taxing units.

**Information Sources:**

**Fiscal Analyst:** Chris Baker, 317-232-9851.